

EXECUTIVE SUMMARY - ENFORCEMENT MATTER Page 1 of 2
DOCKET NO.: 2007-0834-PWS-E **TCEQ ID:** RN101885069 **CASE NO.:** 33647
RESPONDENT NAME: Taylor Petroleum Companies, Inc.

ORDER TYPE:		
<input checked="" type="checkbox"/> 1660 AGREED ORDER	<input type="checkbox"/> FINDINGS AGREED ORDER	<input type="checkbox"/> FINDINGS ORDER FOLLOWING SOAH HEARING
<input type="checkbox"/> FINDINGS DEFAULT ORDER	<input type="checkbox"/> SHUTDOWN ORDER	<input type="checkbox"/> IMMINENT AND SUBSTANTIAL ENDANGERMENT ORDER
<input type="checkbox"/> AMENDED ORDER	<input type="checkbox"/> EMERGENCY ORDER	
CASE TYPE:		
<input type="checkbox"/> AIR	<input type="checkbox"/> MULTI-MEDIA (check all that apply)	<input type="checkbox"/> INDUSTRIAL AND HAZARDOUS WASTE
<input checked="" type="checkbox"/> PUBLIC WATER SUPPLY	<input type="checkbox"/> PETROLEUM STORAGE TANKS	<input type="checkbox"/> OCCUPATIONAL CERTIFICATION
<input type="checkbox"/> WATER QUALITY	<input type="checkbox"/> SEWAGE SLUDGE	<input type="checkbox"/> UNDERGROUND INJECTION CONTROL
<input type="checkbox"/> MUNICIPAL SOLID WASTE	<input type="checkbox"/> RADIOACTIVE WASTE	<input type="checkbox"/> DRY CLEANER REGISTRATION

SITE WHERE VIOLATION(S) OCCURRED: Taylor Petroleum Co 61, 906 Farm-to-Market Road 1585, Lubbock County

TYPE OF OPERATION: Public water supply

SMALL BUSINESS: ☐ Yes ☒ No

OTHER SIGNIFICANT MATTERS: There are no complaints. There is no record of additional pending enforcement actions regarding this facility location.

INTERESTED PARTIES: No one other than the ED and the Respondent has expressed an interest in this matter.

COMMENTS RECEIVED: The *Texas Register* comment period expired on October 22, 2007. No comments were received.

CONTACTS AND MAILING LIST:
TCEQ Attorney/SEP Coordinator: None
TCEQ Enforcement Coordinator: Ms. Cynthia McKaughan, Enforcement Division, Enforcement Team 7, MC 128, (512) 239-0735; Mr. Bryan Sinclair, Enforcement Division, MC 219, (512) 239-2171
Respondent: Mr. Greg Hendricks, Vice President, Taylor Petroleum Companies, Inc., P.O. Box 9000, Amarillo, Texas 79105
Respondent's Attorney: Not represented by counsel on this enforcement matter

VIOLATION SUMMARY CHART:

VIOLATION INFORMATION	PENALTY CONSIDERATIONS	CORRECTIVE ACTIONS TAKEN/REQUIRED
<p>Type of Investigation: <input type="checkbox"/> Complaint <input checked="" type="checkbox"/> Routine <input type="checkbox"/> Enforcement Follow-up <input type="checkbox"/> Records Review</p> <p>Date(s) of Complaints Relating to this Case: None</p> <p>Date of Investigation Relating to this Case: March 19 and 20, 2007</p> <p>Date of NOV/NOE Relating to this Case: April 26, 2007 (NOB)</p> <p>Background Facts: This was a routine investigation.</p> <p>WATER</p> <p>1) Failure to provide a ground storage capacity equal to 50% of the maximum daily demand [30 TEX. ADMIN. CODE § 290.45(d)(2)(B)(ii)].</p> <p>2) Failure to maintain a free chlorine residual of 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times [30 TEX. ADMIN. CODE § 290.46(d)(2)(A)].</p> <p>3) Failure to maintain a free chlorine residual of 0.2 mg/L throughout the distribution system at all times [30 Tex. Admin. Code § 290.46(d)(2)(A)].</p> <p>4) Failure to maintain a complete record of water works operation and maintenance activities [30 TEX. ADMIN. CODE § 290.46(f)].</p> <p>5) Failure to provide at least one service pump with a capacity of three times the maximum daily demand [30 TEX. ADMIN. CODE § 290.45(d)(2)(B)(iii)].</p>	<p>Total Assessed: \$2,788</p> <p>Total Deferred: \$557 <input checked="" type="checkbox"/> Expedited Settlement <input type="checkbox"/> Financial Inability to Pay</p> <p>SEP Conditional Offset: \$0</p> <p>Total Paid to General Revenue: \$2,231</p> <p>Site Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Person Compliance History Classification <input type="checkbox"/> High <input checked="" type="checkbox"/> Average <input type="checkbox"/> Poor</p> <p>Major Source: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>Applicable Penalty Policy: September 2002</p>	<p>Ordering Provisions:</p> <p>The Order will require the Respondent to:</p> <p>a. Immediately upon the effective date of this Agreed Order, commence operating the water system's chlorination facilities to maintain a free chlorine residual of 0.2 mg/L;</p> <p>b. Within 15 days after the effective date of this Agreed Order, submit written documentation that certifies compliance with Ordering Provision a.</p> <p>c. Within 30 days after the effective date of this Agreed Order:</p> <p>i. Provide a ground storage capacity equal to 50% of the maximum daily demand;</p> <p>ii. Provide at least one service pump with a capacity of three times the maximum daily demand; and</p> <p>iii. Begin compiling and maintaining a record of water works operation and maintenance activities.</p> <p>d. Within 45 days after the effective date of this Agreed Order, submit written certification and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision c.</p>

Additional ID No(s): 1520229



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision December 8, 2006

TCEQ
DATES

Assigned 30-Apr-2007
PCW 19-Dec-2007

Screening 29-May-2007

EPA Due

RESPONDENT/FACILITY INFORMATION

Respondent Taylor Petroleum Companies, Inc.
Reg. Ent. Ref. No. RN101885069
Facility/Site Region 2-Lubbock

Major/Minor Source Minor

CASE INFORMATION

Enf./Case ID No. 33647

Docket No. 2007-0834-PWS-E

Media Program(s) Public Water Supply

Multi-Media

Admin. Penalty \$ Limit Minimum \$50 Maximum \$1,000

No. of Violations 5

Order Type 1660

Enf. Coordinator Cynthia McKaughan

EC's Team Enforcement Team 7

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)

Subtotal 1 \$1,950

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History

43% Enhancement

Subtotals 2, 3, & 7

\$838

Notes Enhancement recommended due to nine Notices of Violation ("NOVs") for violations that are not same or similar and one agreed order without a denial of liability.

Culpability

No

0% Enhancement

Subtotal 4

\$0

Notes The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply

0%

Reduction

Subtotal 5

\$0

Before NOV

NOV to EDRP/Settlement Offer

Extraordinary

Ordinary

N/A

X

(mark with x)

Notes The Respondent does not meet the good faith criteria.

0% Enhancement*

Subtotal 6

\$0

Total EB Amounts \$419

Approx. Cost of Compliance \$10,750

*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7

Final Subtotal

\$2,788

OTHER FACTORS AS JUSTICE MAY REQUIRE

Adjustment

\$0

Reduces or enhances the Final Subtotal by the indicated percentage. (Enter number only; e.g. -30 for -30%.)

Notes

Final Penalty Amount

\$2,788

STATUTORY LIMIT ADJUSTMENT

Final Assessed Penalty

\$2,788

DEFERRAL

20%

Reduction

Adjustment

-\$557

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

Deferral offered for expedited settlement.

PAYABLE PENALTY

\$2,231

Screening Date 29-May-2007

Docket No. 2007-0834-PWS-E

PCW

Respondent Taylor Petroleum Companies, Inc.

Policy Revision 2 (September 2002)

Case ID No. 33647

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101885069

Media [Statute] Public Water Supply

Enf. Coordinator Cynthia McKaughan

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written NOVs with same or similar violations as those in the current enforcement action (number of NOVs meeting criteria)	0	0%
	Other written NOVs	9	18%
Orders	Any agreed final enforcement orders containing a denial of liability (number of orders meeting criteria)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (number of judgments of consent decrees meeting criteria)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (number of counts)	0	0%
Emissions	Chronic excessive emissions events (number of events)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which notices were submitted)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (number of audits for which violations were disclosed)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 43%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance History Notes

Enhancement recommended due to nine Notices of Violation ("NOVs") for violations that are not same or similar and one agreed order without a denial of liability.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 43%

Screening Date 29-May-2007

Docket No. 2007-0834-PWS-E

PCW

Respondent Taylor Petroleum Companies, Inc.

Policy Revision 2 (September 2002)

Case ID No. 33647

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101885069

Media [Statute] Public Water Supply

Enf. Coordinator Cynthia McKaughan

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code § 290.45(d)(2)(B)(ii)

Violation Description

Failed to provide a ground storage capacity equal to 50% of the maximum daily demand. Specifically, the facility did not have any ground storage capacity at the time of the investigation.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Without sufficient capacity, customers of the water supply could experience water shortages and the system's ability to provide a safe and adequate supply of water could be impaired.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 3

70 Number of violation days

mark only one with an x	daily	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$750

Three monthly events are recommended based on the investigation date of March 20, 2007 to the screening date of May 29, 2007.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$196

Violation Final Penalty Total \$1,072

This violation Final Assessed Penalty (adjusted for limits) \$1,072

Economic Benefit Worksheet

Respondent: Taylor Petroleum Companies, Inc.

Case ID No. 33647

Reg. Ent. Reference No. RN101885069

Media: Public Water Supply

Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	20-Mar-2007	31-Dec-2007	0.8	\$196	n/a	\$196

Notes for DELAYED costs

Estimated cost to increase the ground storage capacity. The date required is the date of the investigation. The final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$196

Screening Date 29-May-2007

Docket No. 2007-0834-PWS-E

PCW

Respondent Taylor Petroleum Companies, Inc.

Policy Revision 2 (September 2002)

Case ID No. 33647

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101885069

Media [Statute] Public Water Supply

Enf. Coordinator Cynthia McKaughan

Violation Number 2

Rule Cite(s)

30 Tex. Admin. Code § 290.46(d)(2)(A)

Violation Description

Failed to maintain a free chlorine residual of 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times. Specifically, on March 19, 2007 the free chlorine residual was 0.0 mg/L at the sink inside the facility.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

If the water supply is not effectively disinfected, customers of the water supply could be exposed to a significant amount of contaminants which would exceed levels that are protective of human health or the environment.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 1

Number of violation days

mark only one with an x	daily	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	x

Violation Base Penalty \$250

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$18

Violation Final Penalty Total \$357

This violation Final Assessed Penalty (adjusted for limits) \$357

Economic Benefit Worksheet

Respondent Taylor Petroleum Companies, Inc.

Case ID No. 33647

Reg. Ent. Reference No. RN101885069

Media Public Water Supply

Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$500	19-Mar-2007	30-Nov-2007	0.7	\$18	n/a	\$18

Notes for DELAYED costs

Estimated cost to operate the water system's chlorination facilities so as to maintain a free chlorine residual of 0.2 mg/L throughout the distribution system. The date required is the date of the investigation. The final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance:

\$500

TOTAL

\$18

Screening Date 29-May-2007

Docket No. 2007-0834-PWS-E

PCW

Respondent Taylor Petroleum Companies, Inc.

Policy Revision 2 (September 2002)

Case ID No. 33647

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101885069

Media [Statute] Public Water Supply

Enf. Coordinator Cynthia McKaughan

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 290.46(d)(2)(A)

Violation Description

Failed to maintain a free chlorine residual of 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times. Specifically, at the follow-up investigation on March 20, 2007, the chlorine residual was 0.05 mg/L at the sink inside the facility.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential		x	

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

If the water supply is not effectively disinfected, customers of the water supply could be exposed to a significant amount of contaminants which would not exceed levels that are protective of human health or the environment.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

2 Number of violation days

mark only one
with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$143

This violation Final Assessed Penalty (adjusted for limits) \$143

Economic Benefit Worksheet

Respondent: Taylor Petroleum Companies, Inc.
Case ID No.: 33647
Reg. Ent. Reference No.: RN101885069
Media: Public Water Supply
Violation No.: 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

See economic benefit for Violation No. 2.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0

Screening Date 29-May-2007

Docket No. 2007-0834-PWS-E

PCW

Respondent Taylor Petroleum Companies, Inc.

Policy Revision 2 (September 2002)

Case ID No. 33647

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101885069

Media [Statute] Public Water Supply

Enf. Coordinator Cynthia McKaughan

Violation Number 4

Rule Cite(s)

30 Tex. Admin. Code § 290.46(f)

Violation Description

Failed to maintain a complete record of water works operation and maintenance activities. Specifically, with the exception of five monthly bacteriological sample results, the facility did not have any operation or maintenance activity records on file.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
	x		

Percent 10%

Matrix Notes

95% of the rule requirement was not met.

Adjustment \$900

\$100

Violation Events

Number of Violation Events 1

70

Number of violation days

mark only one
with an x

daily	
monthly	
quarterly	
semiannual	
annual	
single event	x

Violation Base Penalty \$100

One single event is recommended.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$10

Violation Final Penalty Total \$143

This violation Final Assessed Penalty (adjusted for limits) \$143

Economic Benefit Worksheet

Respondent: Taylor Petroleum Companies, Inc.
Case ID No.: 33647
Reg. Ent. Reference No.: RN101885069
Media: Public Water Supply
Violation No.: 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System	\$250	20-Mar-2007	31-Dec-2007	0.8	\$10	n/a	\$10
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)				0.0	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to maintain records. The date required is the date of the investigation. The final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance	\$250	TOTAL	\$10	
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Screening Date 29-May-2007

Docket No. 2007-0834-PWS-E

PCW

Respondent Taylor Petroleum Companies, Inc.

Policy Revision 2 (September 2002)

Case ID No. 33647

PCW Revision December 8, 2006

Reg. Ent. Reference No. RN101885069

Media [Statute] Public Water Supply

Enf. Coordinator Cynthia McKaughan

Violation Number 5

Rule Cite(s)

30 Tex. Admin. Code § 290.45(d)(2)(B)(iii)

Violation Description

Failed to provide at least one service pump with a capacity of three times the maximum daily demand. Specifically, the facility did not have any service pump capacity at the time of the investigation.

Base Penalty \$1,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes.

Without sufficient capacity, customers of the water supply could experience water shortages and the system's ability to provide a safe and adequate supply of water could be impaired.

Adjustment \$750

\$250

Violation Events

Number of Violation Events 3

70 Number of violation days

mark only one with an x	daily	
	monthly	x
	quarterly	
	semiannual	
	annual	
	single event	

Violation Base Penalty \$750

Three monthly events are recommended based on the investigation date of March 20, 2007 to the screening date of May 29, 2007.

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$196

Violation Final Penalty Total \$1,072

This violation Final Assessed Penalty (adjusted for limits) \$1,072

Economic Benefit Worksheet

Respondent: Taylor Petroleum Companies, Inc.
Case ID No. 33647
Reg. Ent. Reference No. RN101885069
Media: Public Water Supply
Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.0	\$0	\$0	\$0
Buildings				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0
Engineering/construction				0.0	\$0	\$0	\$0
Land				0.0	\$0	n/a	\$0
Record Keeping System				0.0	\$0	n/a	\$0
Training/Sampling				0.0	\$0	n/a	\$0
Remediation/Disposal				0.0	\$0	n/a	\$0
Permit Costs				0.0	\$0	n/a	\$0
Other (as needed)	\$5,000	20-Mar-2007	31-Dec-2007	0.8	\$196	n/a	\$196

Notes for DELAYED costs

Estimated cost to increase the service pump capacity. The date required is the date of the investigation. The final date is the estimated date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.0	\$0	\$0	\$0
Personnel				0.0	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.0	\$0	\$0	\$0
Supplies/equipment				0.0	\$0	\$0	\$0
Financial Assurance [2]				0.0	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.0	\$0	\$0	\$0
Other (as needed)				0.0	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$196

Compliance History

Customer/Respondent/Owner-Operator:	CN601260730	Taylor Petroleum Companies, Inc.	Classification: AVERAGE	Rating: 3.92
Regulated Entity:	RN101885069	TAYLOR PETROLEUM CO 61	Classification: AVERAGE	Site Rating: 1.33
ID Number(s):	PETROLEUM STORAGE TANK	REGISTRATION	8516	
	REGISTRATION			
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1520229	
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1520229	
	LEAKING PETROLEUM STORAGE TANKS	ID NUMBER	LPST 109128	
	REMEDATION			
Location:	906 FM 1585, LUBBOCK COUNTY, TX 79423	Rating Date: 9/1/2006	Repeat Violator: NO	
TCEQ Region:	REGION 02 - LUBBOCK			
Date Compliance History Prepared:	May 31, 2007			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	May 2, 2002 to May 2, 2007			

TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History

Name: Amy Martin Phone: 512-239-2540

Site Compliance History Components

- | | |
|--|-----|
| 1. Has the site been in existence and/or operation for the full five year compliance period? | Yes |
| 2. Has there been a (known) change in ownership of the site during the compliance period? | No |
| 3. If Yes, who is the current owner? | N/A |
| 4. If Yes, who was/were the prior owner(s)? | N/A |
| 5. When did the change(s) in ownership occur? | N/A |

Components (Multimedia) for the Site :

A. Final Enforcement Orders, court judgements, and consent decrees of the state of Texas and the federal government.

N/A	Effective Date: 05/28/2006	ADMINORDER 2005-1349-PWS-E
	Classification: Moderate	
Citation:	30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i) 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)	
	5A THC Chapter 341, SubChapter A 341.033(d)	
Description:	FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 02/2003.	
	Classification: Moderate	
Citation:	30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i) 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)	
	5A THC Chapter 341, SubChapter A 341.033(d)	
Description:	FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 02/2003.	
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	5A THC Chapter 341, SubChapter A 341.033(d)	
Description:	FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 03/2003.	
	Classification: Moderate	
Citation:	30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i) 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)	
	5A THC Chapter 341, SubChapter A 341.033(d)	
Description:	FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 03/2003.	
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Citation:	30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i) 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)	
	5A THC Chapter 341, SubChapter A 341.033(d)	
Description:	FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 04/2003.	
	Classification: Moderate	
Citation:	30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B) 5A THC Chapter 341, SubChapter A 341.033(d)	
Description:	FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 04/2003.	
	Classification: Moderate	
Citation:	30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i) 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)	

5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 05/2003.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)

5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 05/2003.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.109(c)(2)(B)

5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 11/2004.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)

5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 11/2004.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)

5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 01/2005.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)

5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 01/2005.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)

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Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 02/2005.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 04/2005.
Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING SAMPLES IN 04/2005.

B. Any criminal convictions of the state of Texas and the federal government.

N/A

C. Chronic excessive emissions events.

N/A

D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1 04/23/2003 (395981)

N/A

2 05/19/2003 (397422)

3 06/02/2003 (397423)

4 07/16/2003 (397424)

5 04/28/2004 (269751)

6 12/28/2004 (397425)

7 03/03/2005 (397426)

8 04/01/2005 (397427)

9 05/31/2005 (397428)

10 07/20/2005 (398580)

11 02/13/2006 (452811)

12 08/09/2006 (496593)
13 04/23/2007 (553854)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date 04/23/2003 (395981)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 02/2003.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
SAMPLES IN 02/2003.
Date 05/19/2003 (397422)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 03/2003.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
SAMPLES IN 03/2003.
Date 06/02/2003 (397423)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 04/2003.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
SAMPLES IN 04/2003.
Date 07/16/2003 (397424)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 05/2003.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
SAMPLES IN 05/2003.
Date 12/28/2004 (397425)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.109(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 11/2004.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
SAMPLES IN 11/2004.
Date 03/03/2005 (397426)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 01/2005.
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
5A THC Chapter 341, SubChapter A 341.033(d)
Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
SAMPLES IN 01/2005.
Date 04/01/2005 (397427)
Self Report? NO Classification: Moderate
Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)

Description: 5A THC Chapter 341, SubChapter A 341.033(d)
 Self Report? NO FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 02/2005.
 Classification Moderate
 Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
 5A THC Chapter 341, SubChapter A 341.033(d)
 Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
 SAMPLES IN 02/2005.
 Date 05/31/2005 (397428)
 Self Report? NO
 Classification Moderate
 Citation: 30 TAC Chapter 290, SubChapter F 290.109(c)(2)(A)(i)
 Description: FAILURE TO COLLECT ANY ROUTINE MONITORING SAMPLES IN 04/2005.
 Self Report? NO
 Classification Moderate
 Citation: 30 TAC Chapter 290, SubChapter F 290.122(c)(2)(B)
 Description: FAILURE TO POST A PN FOR NOT COLLECTING ANY ROUTINE MONITORING
 SAMPLES IN 04/2005.
 Date 02/13/2006 (452811)
 Self Report? NO
 Classification Minor
 Citation: 30 TAC Chapter 334, SubChapter A 334.10(b)(G)
 Description: Failure of the operator to have records available for inspection within 14 days of the
 modified compliance evaluation investigation.
 Self Report? NO
 Classification Moderate
 Citation: 30 TAC Chapter 334, SubChapter C 334.51(b)(2)(B)(G)
 Description: Failure to maintain a spill prevention device in such a manner that precludes any
 spill from entering the environment.

F. Environmental audits.

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
TAYLOR PETROLEUM COMPANIES,
INC.
RN101885069**

**§ BEFORE THE
§
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2007-0834-PWS-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Taylor Petroleum Companies, Inc. ("Taylor Petroleum") under the authority of TEX. HEALTH & SAFETY CODE ch. 341. The Executive Director of the TCEQ, through the Enforcement Division, and Taylor Petroleum appear before the Commission and together stipulate that:

1. Taylor Petroleum operates a public water supply at 906 Farm-to-Market Road 1585, Lubbock County, Texas (the "Facility") that has one service connection and serves at least 25 people per day for at least 60 days per year.
2. The Commission and Taylor Petroleum agree that the Commission has jurisdiction to enter this Agreed Order, and that Taylor Petroleum is subject to the Commission's jurisdiction.
3. Taylor Petroleum received notice of the violations alleged in Section II ("Allegations") on or about May 1, 2007.
4. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by Taylor Petroleum of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
5. An administrative penalty in the amount of Two Thousand Seven Hundred Eighty-Eight Dollars (\$2,788) is assessed by the Commission in settlement of the violations alleged in Section II ("Allegations"). Taylor Petroleum has paid Two Thousand Two Hundred Thirty-One Dollars (\$2,231) of the administrative penalty and Five Hundred Fifty-Seven Dollars (\$557) is deferred

contingent upon Taylor Petroleum's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If Taylor Petroleum fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require Taylor Petroleum to pay all or part of the deferred penalty.

6. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
7. The Executive Director of the TCEQ and Taylor Petroleum have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
8. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that Taylor Petroleum has not complied with one or more of the terms or conditions in this Agreed Order.
9. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
10. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As operator of the Facility, Taylor Petroleum is alleged to have:

1. Failed to provide a ground storage capacity equal to 50% of the maximum daily demand, in violation of 30 TEX. ADMIN. CODE § 290.45(d)(2)(B)(ii), as documented during an investigation conducted on March 20, 2007.
2. Failed to maintain a free chlorine residual of 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times, in violation of 30 TEX. ADMIN. CODE § 290.46(d)(2)(A), as documented during an investigation conducted on March 19, 2007.
3. Failed to maintain a free chlorine residual of 0.2 milligrams per liter ("mg/L") throughout the distribution system at all times, in violation of 30 TEX. ADMIN. CODE § 290.46(d)(2)(A), as documented during an investigation conducted on March 20, 2007.
4. Failed to maintain a complete record of water works operation and maintenance activities, in violation of 30 TEX. ADMIN. CODE § 290.46(f), as documented during an investigation conducted on March 20, 2007.
5. Failed to provide at least one service pump with a capacity of three times the maximum daily demand, in violation of 30 TEX. ADMIN. CODE § 290.45(d)(2)(B)(iii), as documented during an investigation conducted on March 20, 2007.

III. DENIALS

Taylor Petroleum generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that Taylor Petroleum pay an administrative penalty as set forth in Section I, Paragraph 5 above. The payment of this administrative penalty and Taylor Petroleum's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations, which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Taylor Petroleum Companies, Inc., Docket No. 2007-0834-PWS-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that Taylor Petroleum shall undertake the following technical requirements:
 - a. Immediately upon the effective date of this Agreed Order, commence operating the water system's chlorination facilities to maintain a free chlorine residual of 0.2 mg/L, in accordance with 30 TEX. ADMIN. CODE § 290.46.
 - b. Within 15 days after the effective date of this Agreed Order, submit written documentation, as detailed in Ordering Provision 2.d. below, that certifies compliance with Ordering Provision 2.a.
 - c. Within 30 days after the effective date of this Agreed Order:
 - i. Provide a ground storage capacity equal to 50% of the maximum daily demand, in accordance with 30 TEX. ADMIN. CODE § 290.45;
 - ii. Provide at least one service pump with a capacity of three times the maximum daily demand, in accordance with 30 TEX. ADMIN. CODE § 290.45; and
 - iii. Begin compiling and maintaining a record of water works operation and maintenance activities, in accordance with 30 TEX. ADMIN. CODE § 290.46.
 - d. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.c. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with a copy to:

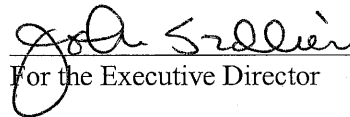
Water Section Manager
Lubbock Regional Office
Texas Commission on Environmental Quality
4630 50th Street, Suite 600
Lubbock, Texas 79414-3520

3. The provisions of this Agreed Order shall apply to and be binding upon Taylor Petroleum. Taylor Petroleum is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
4. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by Taylor Petroleum shall be made in writing to the Executive Director. Extensions are not effective until Taylor Petroleum receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
5. This Agreed Order, issued by the Commission, shall not be admissible against Taylor Petroleum in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
6. This agreement may be executed in multiple counterparts, which together shall constitute a single original instrument. Any executed signature page to this Agreement may be transmitted by facsimile transmission to the other parties, which shall constitute an original signature for all purposes.
7. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to Taylor Petroleum, or three days after the date on which the Commission mails notice of the Order to Taylor Petroleum, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission



For the Executive Director

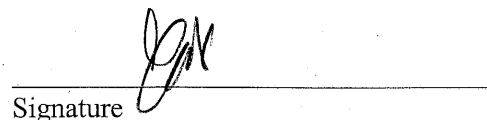
Date 1/10/08

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity, if any, indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that my failure to comply with the Ordering Provisions, if any, in this order and/or my failure to timely pay the penalty amount, may result in:

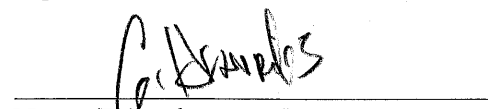
- A negative impact on my compliance history;
- Greater scrutiny of any permit applications submitted by me;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions against me;
- Automatic referral to the Attorney General's Office of any future enforcement actions against me; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.



Signature

Date 8.7.07



Name (Printed or typed)
Authorized Representative of
Taylor Petroleum Companies, Inc.

Title V.P.

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.

